

## **FLEXIBLE HIRING RATES – Pilot Project**

### **BU 13 Independent Worker Level & Above**

#### **A. POLICY**

Although civil service appointments are made typically at the minimum rate of the applicable salary range, there are circumstances under which a higher salary may be appropriate.

Under this flexible hiring rates pilot project, civil service appointments for BU 13 at the independent worker level and above and their excluded counterpart positions may be made by the appointing authority up to 12% above the minimum of the salary range<sup>1</sup> based on the applicant's excess creditable experience. The maximum authorized step under this policy is Step F.

#### **B. RATIONALE**

To enable programs the option and flexibility to recruit and hire more experienced professionals by permitting more competitive pay ranges for hiring.

#### **C. DEFINITIONS UNDER THIS POLICY**

**Class of Work** – A group of positions that reflect sufficiently similar duties and responsibilities such that the same title and the same pay range may apply to each position allocated to the class.

**Excess Creditable Experience** – Years of minimum requirement experience at the independent worker level and above, that is left after the qualifying minimum requirements and selective certification requirements (if applicable), have been deducted.

**Independent Worker Level** – Independently performs professional work that is not at a trainee level.

**Maximum Authorized Hiring Rate** – The highest rate that the appointing authority may authorize based on the applicant's excess creditable experience and the guidelines in *Placement on the Salary Range* on page 3.

#### **D. SCOPE**

This policy shall apply to State civil service appointments in the executive branch under the administration of the Department of Human Resources Development (DHRD).

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<sup>1</sup> Rounded down to the nearest dollar.

## E. PROCEDURES

1. **Eligibility** – BU 13 independent worker level and above and their excluded counterparts civil service appointments only.

The FHR Policy shall not be used solely for the purpose of giving an employee a pay raise in their position i.e., an employee shall not be appointed to another position so the employee can reapply to his/her recently vacated position at a higher rate of pay.

2. **Recruitment -**

Open-Competitive Recruitments – Eligible positions will be advertised from the salary range minimum to Step F. The following statement should be included on flexible hiring rates job announcements: Hiring rates will be based on availability of funds, the applicant's qualifications, and other relevant factors.

3. **Interviews** - Applications will be screened and individuals interviewed in the customary manner.

Since selection and pay will be based on the information submitted by the applicant and responses provided during interviews, it is very important that a structured interview be conducted and each applicant is asked and evaluated on the same questions.

4. **Selection** – When a selection is made, the supervisor/manager *may* recommend to the appointing authority that the applicant be appointed above the minimum. The appointing authority makes the final decision based on the recommendation.

- a. **Making the Pay Decision**

When making a pay decision, the following factors should be considered:

- The individual's work experience, education, training, knowledge, skills, abilities, expected competencies and performance. These factors should enable the applicant to perform the job with minimal training.
- The applicant's experience should be compared to the experience of existing employees in similar positions within the relevant work unit (see *Consider the pay of existing employees*, page 4)
- The applicant must have excess creditable experience. "Excess creditable experience" means years of minimum requirement experience at the independent worker level and above, that is left after the qualifying minimum requirements and selective certification requirements (if applicable), have been deducted.

Appointment above the minimum is discretionary. The appointing authority is not required to appoint any applicant above the minimum even when the applicant qualifies for hiring under the flexible hiring rates policy. The appointing authority may also elect to appoint the applicant on a step lower than the maximum authorized hiring step under this policy (see *Placement*

on the Salary Range). The basis for appointing on any step under this policy must be documented on the HRD 395d.

The department/program must be able to accommodate the added cost within its existing and expected future budgets with no additional funds.

Pay decisions shall comply with all federal and state laws regarding pay and non-discrimination practices.

**b. Placement on the Salary Range**

1) Determine the applicant's years of excess creditable experience as follows:

- Identify all years of experience that can be used to meet the minimum requirements and/or selective certification requirements (if applicable).
- Deduct the years of experience required to meet the minimum requirements and selective certification requirements (if applicable).
- The resulting years is the excess creditable experience.

Experience shall be prorated if the individual performed the excess creditable experience on a part-time basis.

Substitution: Direct relevant education, training, or certification in excess of the minimum requirements and selective certification, if applicable, may be used to substitute for up to one year of experience.

2) Based on the applicant's years of excess creditable experience at the independent worker level or above, the appointing authority may place the applicant up to the applicable step following these guidelines.

<b>Years of Excess Creditable Experience</b>	<b>Maximum Authorized Hiring Rate</b>
< 2 years	Step C
2 to less than 4 years	Step D
4 to less than 6 years	Step E
6 or more years	Step F

Note: If the position is on shortage, the appointment under the flexible hiring rates policy will include the shortage differential (SD) at the applicable step for the pay range.

Exceptions to these guidelines may be made upon written request and approval by the Department of Human Resources Development Director. However, in no circumstance shall an employee be hired above the maximum authorized hiring rate under this policy.

**c. Consider the Pay of Existing Employees**

It is strongly recommended that the total compensation (TC) (base pay + SD) shall not exceed the TC of an existing employee in a comparable position with similar or greater experience, education, training, knowledge, skills, abilities and competencies. Inequities in pay can have a serious impact on the morale of existing employees and may affect the State's ability to retain them.

- 5. Documentation** – All appointments under this policy shall be documented on the HRD 395d form, *Flexible Hiring Rates – Pilot Project (BU 13 Independent Worker Level and Above)* and a signed copy shall be sent to the Compensation Branch, Department of Human Resources Development.

The manager, in conjunction with the appointing authority and personnel office is responsible for ensuring that the pay rate offered to the candidate is reasonable. The pay of existing employees with similar or greater backgrounds in comparable positions in the relevant work unit shall be given serious consideration before a pay rate is recommended.

- 6. Coding in HRMS (Human Resources Management System)** –When inputting the transaction in the personnel transaction module of HRMS, the applicable action/reason code for flexible hiring rates should be used.
- 7. Project Evaluation** – Departments utilizing flexible hiring rates will be required to complete a questionnaire developed by the Department of Human Resources Development (DHRD) to evaluate the effectiveness of the project.

**F. AUTHORITIES and REFERENCES**

§76-5, Hawaii Revised Statutes, *Alternatives in providing human resources program services*  
§76-13, Hawaii Revised Statutes, *Specific duties and powers of director*  
§76-22.5, Hawaii Revised Statutes, *Recruitment*

**G. ATTACHMENTS**

HRD 395d: *Flexible Hiring Rates – Pilot Project (BU 13 Independent Worker Level and Above)*